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Re: Aluminum Wheel Joint Venture

Dear Doug and Joe:

This letter responds to my April 12, 1997 telephone conversation with Joe Orlando in which Joe asked a few questions about the Joint Venture insurance election.

First, Joe asked what was meant by point 4(d) on Ratification Summary page 9, which reads as follows:

- d. "Opting Down" By Kaiser Retirees. Kaiser retirees electing AKW coverage cannot "opt down" based on any potentially available Kaiser dependent coverage, but they would be permitted to do so if they can verify dependent coverage from a source other than Kaiser.

This makes that point that, if Kaiser retirees work at the Joint Venture and elect AKW coverage for themselves and their dependents, rather than electing Kaiser retiree insurance, the Kaiser retirees and their dependents will then participate in the AKW insurance plans. The AKW employee cannot, in this situation, elect AKW coverage for himself/herself and then turn around and "opt down" to secure Kaiser insurance coverage for the dependents. However, we would still permit the AKW employee to elect AKW insurance and "opt down" if they can verify insurance coverage for dependents from a source other than Kaiser.

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Second, Joe asked whether Kaiser retirees who work for AKW can elect Kaiser retiree insurance with an additional option of changing their election in the future (i.e., whether individuals electing Kaiser retiree insurance can return to AKW coverage at some future point while they are working at AKW). This additional option would not be available, and the Kaiser retirees who work for AKW would have to elect Kaiser retiree insurance coverage, on the one hand, or elect AKW coverage, on the other hand, as a one-time irrevocable decision. As I explained to Joe, it has been extremely difficult to make arrangements even for a one-time election by Kaiser retirees who desire Kaiser coverage rather than AKW coverage (or visa versa). The one-time basis of this election has been the only way we have been able to accommodate your desire for an option in this area.


Third, I have identified another inadvertent correction that must be made in the ratification summary. On page 9 of the summary, points 4(b) and 4(c) initially had the same caption, which read: Electing AKW Coverage — "85 Points" or Above. The caption for point 4(c) should actually read: "Electing AKW Coverage — Under "85 Points." I have enclosed another copy of the ratification summary, making this correction on page 9. (To keep the versions straight, the last page of this revised summary bears the date "4/12A/97" in the lower right hand corner.)

As a final matter, I indicated to Joe that a federal express letter has been sent to each of your homes for delivery Saturday morning (today), which addresses various benefits issues that have been raised by the UAW. For your information, an additional copy of this letter dated April 11, 1997 is enclosed. (Of the various enclosures accompanying that letter, I am including only the revised "Benefit Plan Review" letter and the letter that Tom Hoecker forwarded to Mark Naess of the UAW concerning various benefits issues.)

I would appreciate it if Joe would make arrangements for this letter to be forwarded to Doug and the rest of the Committee. I hope this is helpful, and hope to hear from you tomorrow concerning ratification. If any other issues need to be addressed in this regard, you can reach me today at my house, direct dial 773/472-8624.

Very truly yours,

SEYFARTH, SHAW, FAIRWEATHER & GERALDSON

By 

Philip A. Miscimarra

PAM/mms

Enclosures (Ratification Summary dated 4/12A/97; 4/11/97 Fed Ex letter with "Benefit Plan Review" and "Thomas Hoecker/Mark Naess" 4/11/97 letter absent the attachment to that letter)